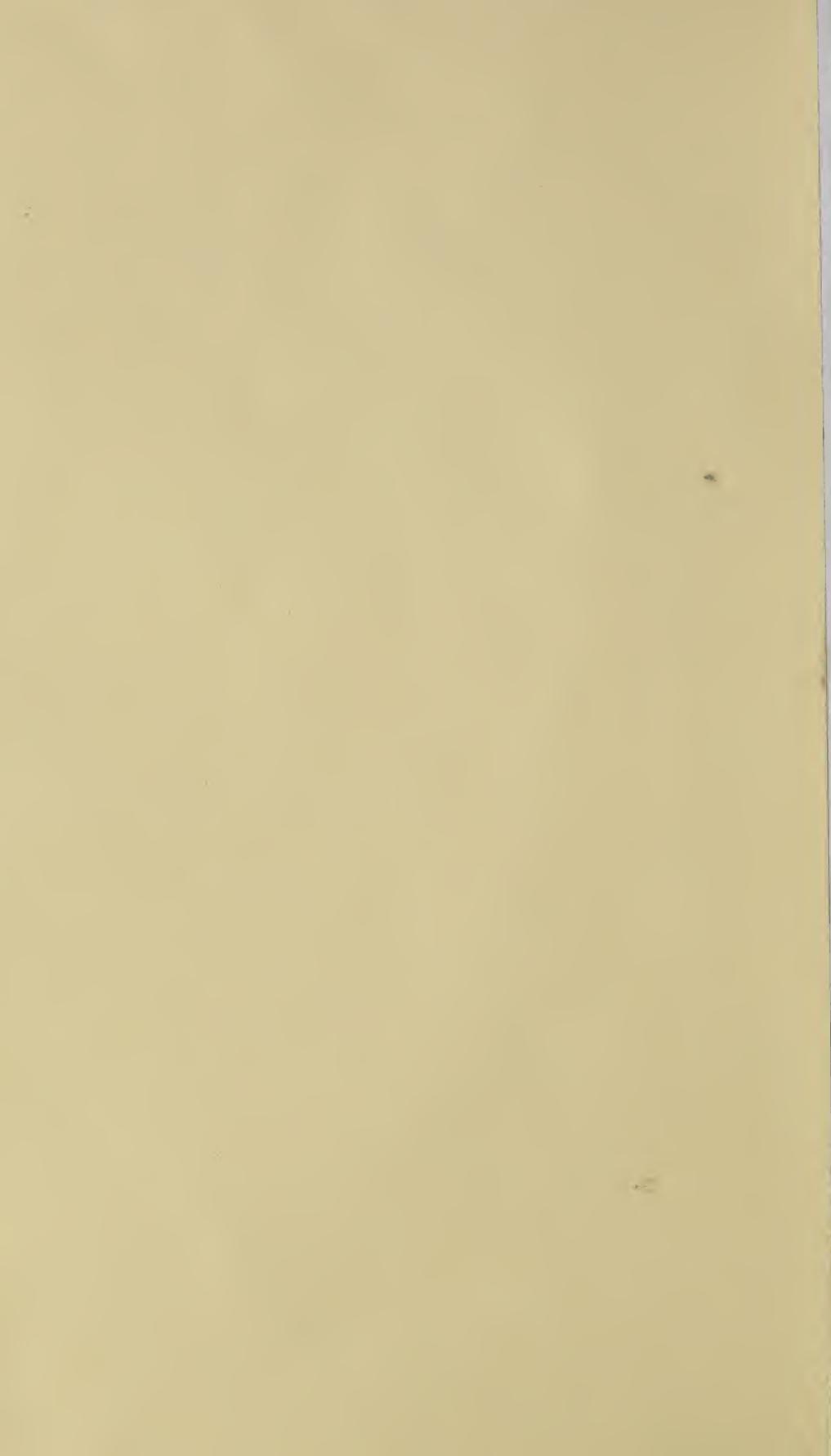


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CATALOGING PAPER

# *Building Dreams:*

THE MUTUAL SELF-HELP HOUSING PROGRAM



USDA RURAL DEVELOPMENT  
RURAL HOUSING SERVICE

*Home.* It's the center of our daily lives. It's the place for family and friends. It's where we are safe from



the worries of the world. Home is where we relax in comfort.

A place to call home is what most of us wish for and work towards, but for many it is simply a dream.

In rural America, many still wait for the opportunity to make a home for themselves. Mutual self-help housing has provided that opportunity for more than 25,000 rural low- and very-low-income people. Putting a roof over the heads of those who need shelter, building



financial equity for individuals and families, and creating homes and communities that are bound together by their common effort is what this program is all about.

In the mutual self-help housing program, a group of 8 to 12 families and individuals work together under the guidance of a construction supervisor hired by a nonprofit housing developer (self-help grantee). These groups perform at least 65 percent of the construction work. By working together for 8 to 10 months, they complete all of their homes simultaneously; no one moves in until all the homes within the group are completed.



# *Mutual Self-Help Housing*

Since its inception in 1971, the USDA Rural Housing Service Mutual Self-Help Housing Program has helped low- and very-low-income people to finance and build their homes. This program has developed an effective, dedicated nationwide network of families and individuals, nonprofit housing developers (grantees), technical assistance providers and USDA Rural Housing Service staffers.

Those who participate in this program are unable to find a home they can afford, much less come up with a downpayment. In the mutual self-help housing program, self-help groups build each other's homes. Their labor becomes their downpayment, commonly referred to as "sweat equity." Hard work is the key, along with a willingness to work cooperatively with other participants. These groups share the common goal of homeownership and commit themselves to share in the work that will make that goal a reality.



## *The History of Mutual Self-Help*



The mutual self-help housing "sweat equity" concept isn't new. Organized mutual self-help housing with a permanent source of financing for participants started with the Quakers. In the early 1960s, people were determined to find ways to bring lasting improvement to the lives of rural Americans. They saw the opportunity to capture the energy and dreams of the rural poor and bring them better housing and better lives. From their vision grew the mutual self-help housing program.

It's a tradition for rural people who, despite limited financial resources, had the determination and help of neighbors to construct the barns, homes, and schools that became America's rural communities. Those same principles remain the basis for this program today.

## *Building Homes, Building Communities*

The self-help concept works because people strive to make a better life for themselves. Given a window of opportunity, they will do everything in their power to make the dream of owning a home come true. The mutual self-help housing concept builds more than just homes; friendships develop and communities are created. This is what sets it apart from other housing efforts.



### THE BLACKMON FAMILY — FLORIDA

Billy Blackmon built his mutual self-help home in 1986. At the time, he worked for someone else and only "dreamed about owning

a house" for his six children. The mutual self-help housing program helped fulfill that dream.



Today, Blackmon is a certified electrician and a community leader. He credits the program with helping him rise from a \$6-an-hour wage earner to a

business owner. He is vice president of the neighborhood association, helping renovate the community center and installing basketball courts.

### THE KIMBALL FAMILY — MAINE

Cindy Kimball, a single mother, found much more than shelter through the mutual self-help housing program. Her experience led to a new set of skills, and ultimately, a job that took her off welfare.





Kimball had no prior construction experience when she joined the program. Her main concern was providing a good home for her four children. The family lived in a small, crowded apartment with no yard. Through mutual self-help housing, she provided a better home for her family. Today, she is a construction supervisor for the nonprofit organization that helped her.

### THE LOPEZ FAMILY — CALIFORNIA

Rudy and Angie Lopez lived from one paycheck to the next; he as a cook, she as a waitress. Owning a home seemed out of reach until they qualified for the mutual self-help housing program. Even then, they had to overcome the skepticism of community planners and wait several years to start building.



In the process, they built a better life for themselves and their children. After completing their home, Rudy and Angie Lopez decided to open their own business. Now they operate a Mexican restaurant in Grover Beach, California.

The determination and responsibility of the mutual self-help housing groups extend to their neighborhoods as well. They have seen in concrete ways how their own success is bound together with the success of their neighbors and the success of their community. That lesson is not easily forgotten.

# MUTUAL SELF-HELP

## *Statistics*

In the first 31 years (1971-2002):

A total of 32,625 Section 523 Mutual Self-Help homes have been built since 1971. Prior to 1971, an additional 2,292 mutual self-help homes were built by individuals with funding through the United States Office of Equal Opportunity and other agencies.

The average mortgage in 1971 was \$10,178.

The average mortgage in 2002 was \$85,540.

Delinquency rates are typically 3.0 percent lower for mutual self-help families than other USDA Rural Housing Service Section 502 direct loan borrowers. The Section 502 program affords very-low- and low-income households the opportunity to finance their homes at affordable rates.

Since 1971, the Section 523 Mutual Self-Help Program has had grantees (nonprofit housing developers) in 44 states and territories.

Currently, there are 145 grantees.



# MUTUAL SELF-HELP HOUSING PROGRAM IN RURAL AMERICA

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## *The Legacy*

Every mutual self-help home has a story. A story that affects families for generations. Each story adds to the diversity and strength of mutual self-help housing programs nationwide. These homeowners become community members and leaders in business and politics and schools...they have bettered their lives and created a legacy of success for their families.

Mutual self-help housing is more than just building houses. It stimulates local economies, establishes credit, and builds new skills, self-confidence, and a community. It's about pride and having a place to call home.





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